

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 850
Second Edition Engrossed 5/6/25
PROPOSED SENATE COMMITTEE SUBSTITUTE H850-PCS40602-BR-23

Short Title: Interbasin Transfer Moratorium/Study.

(Public)

Sponsors:

Referred to:

April 10, 2025

A BILL TO BE ENTITLED
AN ACT TO IMPOSE A MORATORIUM ON ISSUANCE OF CERTIFICATES FOR
CERTAIN SURFACE WATER TRANSFERS.

The General Assembly of North Carolina enacts:

SECTION 1. Findings. – The General Assembly finds that the State's laws regulating surface water transfers, originally enacted more than 30 years ago, should be comprehensively reviewed and evaluated for updates in light of the State's tremendous economic and population growth and the impact of natural disasters on riverine and water reservoir systems over that period. In particular, the General Assembly finds that the approval of proposed transfers that are significant in terms of their size compared to the overall hydrologic flow, current and future water storage capacity, and cumulative water resources demands within the source river basin should be temporarily paused while this review and evaluation is ongoing.

SECTION 2.(a) Study. – The North Carolina Collaboratory at the University of North Carolina at Chapel Hill (Collaboratory) shall study the current statutory process for approval of surface water transfers and provide any recommendations for legislation revising that process that the Collaboratory finds is needed. As part of its study, the Collaboratory shall review all of the following:

- (1) The adequacy of the requirements for an environmental impact study set forth in G.S. 143-215.22L(d) in ensuring that all impacts on upstream and downstream users of water in the river basin are comprehensively and equitably compiled and considered.
- (2) Whether the information on which the Environmental Management Commission (EMC) bases final certification decisions adequately takes into account (i) issues of economic equity for lower income and lower population communities in the source river basin that would experience potential impacts on future economic growth due to the proposed transfer, (ii) negative impacts of increases in water pollutant concentration caused by large surface water transfers on riverine ecosystems, and (iii) whether the denial of the surface transfer request would result in a substantial increase in utility rates or otherwise cause a financial hardship due to alternative infrastructure construction costs for the requesting party.
- (3) Changes to the process needed to reflect the impact of recent climate trends that impact the range of water flows in the State's mainstem rivers during periods of extreme heat, drought, or flooding events.



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(4) How to build into the certification process incentives for parties requesting surface water transfers to implement land use, infrastructure, and drought resiliency policies that will reduce the size of transfers needed to meet future water demands.

(5) Any other matters the Collaboratory deems relevant to its efforts to increase the fairness and effectiveness of the surface water transfer certification requirements.

SECTION 2.(b) Consultation. – In conducting the study required by subsection (a) of this section, the Collaboratory will consult with the Army Corps of Engineers and other private or public entities with management responsibilities over water impoundments with respect to the impact of significant surface water transfers, as defined in Section 3 of this act, on those impoundments continuing to meet their present levels and future projected needs for hydroelectric power generation and water supply.

SECTION 2.(c) Report. – The Collaboratory shall report its findings, together with any proposed legislation, to the 2027 General Assembly upon its convening.

SECTION 3. Moratorium on Certain Surface Water Transfer Certificates. – In order to permit sufficient time for the General Assembly to complete the study described in Section 2 of this act, the EMC shall not issue a certificate authorizing a significant new surface water transfer or a significant increase in an existing surface water transfer until the end of the moratorium provided in this section. The moratorium in this section shall end March 1, 2027. For purposes of this section, a proposed new or increased surface water transfer is significant if it would result in a total increase in transfer between river basins, as defined in G.S. 143-215.22G, in excess of 15,000,000 gallons per day.

SECTION 4. This act is effective when it becomes law.